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C O N F I D E N T I A L NEW DELHI 000165

DRL/ILCSR FOR MARK MITTELHAUSER, DOL/ILAB FOR RACHEL RIGBY,  
G/TIP FOR STEVE STEINER, STATE PLEASE PASS TO USTR

E.O. 12958: DECL: 01/27/2019  
TAGS: [EAGR](#) [EIND](#) [ELAB](#) [ETRD](#) [IN](#) [PHUM](#)  
SUBJECT: POST COMMENTS AND CONCERNS ABOUT DOL'S DRAFT LIST  
OF GOODS PRODUCED BY CHILD LABOR OR FORCED LABOR

REF: A. STATE 1730  
[B](#). BUENOS AIRES 0050

Classified By: Political Counselor Ted Osius for Reasons 1.4 (B,D)

[1](#). (C) Summary. Embassy New Delhi welcomes the opportunity to comment on the Department of Labor's (DOL) draft list of goods that DOL has reason to believe are produced by forced labor or child labor. Post requests the Indian goods listed (reftel A) be withdrawn from DOL's draft list until post and the State Department have the opportunity to properly review the information and sources DOL used to produce the list. In the interim, post is not aware of the existence of forced labor in the carpet, hybrid cottonseed, gold jewelry, and silk fabric industries. Post has also not seen credible evidence of the use of child labor in the gold jewelry sector. Furthermore, Post endorses the concerns expressed by Embassy Buenos Aires and other posts, and believes publishing any uncorroborated list would significantly hurt the USG's ability to work effectively with the Government of India and other local stakeholders to counter forced and child labor in India. End Summary.

#### PREVALENCE OF CHILD AND FORCED LABOR

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[2](#). (U) Post agrees there is evidence of child labor in the following sectors: bidis, brassware, bricks, carpets, embroidered textiles (zari), fireworks, footwear, glass bangles, leather goods/accessories, locks, matches, rice, silk fabric, soccer balls, and stones. Post agrees there is evidence of forced labor in the following sectors: bricks, embroidered textiles (zari), rice, and stones.

[3](#). (U) Post does not/not see evidence to support DOL's draft list regarding the carpet, hybrid cottonseed, gold jewelry, garment, and silk fabric sectors of the Indian economy. While the existence of child labor in the carpet industry has been widely reported, post is not aware of any recent reports indicating the extent or nature of forced labor in that industry. The last data published on this sector dates back to 2002. Although post understands DOL has commissioned research on the carpet sector, post does not know whether preliminary results of that research are yet available. If they are, post requests copies of those results in order to examine and verify them based upon on-the-ground analysis.

[4](#). (U) Post has not seen any reports indicating forced labor in the hybrid cottonseed industry, though independent NGOs have compiled reports indicating the use of child labor in the hybrid cottonseed industry. Regarding the gold jewelry sector, post is not aware of any studies or reports that point to the widespread use of child labor and/or forced labor in this sector. In India, gold jewelry is a high-value, skilled trade that employs adults. Since

small-scale jewelry manufacturers and goldsmiths primarily operate on trust in their workers, they do not employ people outside of traditional craftsmen or families. Therefore, forced labor is particularly not likely to exist in this sector.

¶15. (U) While the use of child labor in the silk fabric industry and in some aspects of garment manufacturing has been reported, post has not seen any recent credible reports indicating the prevalence of forced labor in either the silk fabric or garment industries.

DOL METHODOLOGY AND POLITICAL IMPLICATIONS FOR BILATERAL  
RELATIONSHIP  
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¶16. (C) We share the serious concerns expressed by other posts, especially Embassy Buenos Aires (reftel B) about the methodology used to make the draft list and the political fallout that poorly documented lists could have on bilateral relations. We are also troubled by reftel A, which seems to place the burden of proof upon posts who are expected to "clearly demonstrate that child labor or forced labor is not or is no longer used in the production" of a good on DOL's draft list without being able to examine the sources DOL utilized to compile the draft list.

¶17. (C) Post believes it is essential this list not be published until a credible basis for these allegations is documented and agreed upon by USG stakeholders. A poorly substantiated list would elicit an immediate and strong reaction from the GOI and the Indian public. Such a list would also likely be rejected by host government officials, even those committed to eliminating forced and child labor.

¶18. (C) We are apprehensive that any data DOL obtained to compile the draft list from the successful DOL-funded, USD 40 million INDUS (Indus-US) project would complicate future cooperative programs with the GOI, including the soon-to-be launched Convergence Model Project on eliminating child labor. (Note: Both the USG and GOI provided USD 20 million to INDUS to eliminate child labor in ten selected industries.

The project, launched in February 2004, ended in August 2008 and rescued over 100,000 children. End Note.) Data sourced from the INDUS project could potentially damage the trust that has developed between the GOI and USG on working together to combat child labor, which has produced very solid, practical results.

¶19. (C) Post requests information on all sources used by DOL for compiling the draft list. In particular, we request DOL share the extent to which the information about the "significant incidence" of child labor/forced labor in the production of Indian good(s) is corroborated by other sources. We will then be in a better position to substantiate the existence and extent of child labor and/or forced labor in any given industry. We will also be fully prepared to justify the determinations to the GOI, if it is ultimately determined that there is a significant incidence of child labor/forced labor in the production of these Indian goods.

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